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Division of Central Services' Annual Report

for fiscal year 1979-1980

Prepared in compliance with
Colorado Revised Statute 24-30-1109

Distributed To:

Governor Richard D. Lamm
Lieutenant Governor Nancy Dick

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President of the Senate

Senator Ruth S. Stockton
President Pro Tem of the Senate

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Senate Majority Leader

Senator Regis F. Groff
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House Majority Leader

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December 1, 1980

Profile

The Division of Central Services is a statutory division of the Department of Administration. It was founded June 20, 1977 when Senate Bill 285 was signed into law by Governor Richard D. Lamm. Previous to that date the division had operated with authority provided in an executive order dated February 17, 1976. The division's mission is to provide support services for executive branch agencies located in Adams, Arapahoe, Jefferson and Denver Counties. Services currently provided include, but are not limited to: printing, mail, microfilm, word processing and graphic design services, a motor pool, office copier program, and a central office supply and forms storeroom. Forms management, a statutorily authorized service, is not currently provided. Central Services is a revolving fund agency; it receives no appropriated general funds. All services are sold to client agencies at competitive prices. Enabling legislation is contained in C.R.S. 24-30-1101 et. seq.

A Message from the Director

The financial condition of the division remains strong. A surplus of \$93,802 was reported on revenues of \$4,477,030. Last fiscal year saw surplus levels of \$154,049 coming from revenues of \$3,763,997. This increase in income and decline in surplus from 4.1% of revenues in fiscal 1978-79 to 2.1% of revenues in fiscal 1979-80 was not unanticipated. The division's mission is one of service and not of profit. Though some surplus is necessary to repay a working capital debt to the Department of Treasury, reduced surplus levels have the effect of increasing our competitiveness and enhancing our customer service role. Smaller surplus margins on revenues are anticipated in coming years as the mechanisms of profit control become more sophisticated. Discussions have been conducted with the State Controller to determine what surplus goals are appropriate for the division.

Since its inception in 1977, Central Services has worked to implement its programs throughout its jurisdictional area. To date, that work is incomplete; the Departments of Health, Highways, the Division of Wildlife and the University of Colorado Medical Center have not been completely impacted by the division's programs. The division has been quite effective in pursuing its programs within and around the Capitol Complex.

During the past fiscal year, the office of Quality Assurance/Customer Relations has been added to the division. I believe our customers will interpret this creation as a sincere outreach attempt designed to establish a communication channel between the division and its customers. This new office will provide means of resolving service related problems and educating our customers about new and existing programs. I hope new service applications, responsive to our customer's needs, will be identified and developed through this office.

The development of the Word Processing Unit will be enhanced by the acquisition of new word processing equipment particularly suited to our customers' unique demands. A telephone dictation system will be tested in fiscal 1980-81. If performance meets our expectations, it will be made available to our customers soon after tests are complete. Word Processing customers can then dictate correspondence and other documents at any time of the day or night and expect draft copies to be available within the first two hours of the next working day.

The division's greatest accomplishments and most outstanding successes during the past fiscal year were the Incoming Revenue Mail Room and the Interagency Motor Pool. Great sums of new interest revenues were brought to the state through Central Services' efficient processing of tax return mail. I enthusiastically invite your attention to page 9 where the operation is discussed in greater detail under the heading "Mail Services Section".

The Intragency Motor Pool became a star performer by converting large deficits to a strong surplus last fiscal year. At the same time the use of an exciting new motor fuel—gasohol—was initiated. Please see page 7 for further discussion.

Programs of the Division of Correctional Industries received \$92,080 in support from Central Services. Purchased services and work diverted to Correctional Industries comprise this figure.

In fiscal 1979-80, the Joint Budget Committee and the General Assembly authorized retention from the previous fiscal year of unused, vacant positions. I

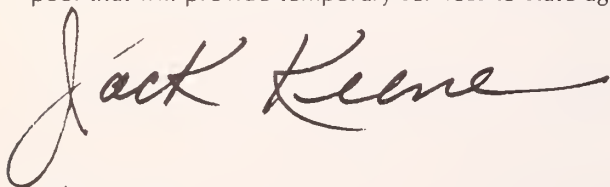
requested retention of these positions so that the division could be flexible to answer changing demand for its services and to accommodate possible service consolidations. The JBC endorsed this philosophy by honoring my request. I wish to thank the JBC and General Assembly. I hope it will continue to remain sensitive to the division's personnel needs.

The inability to rapidly create and fill vacant positions has been a major problem connected with the implementation of the division's enabling legislation. Constant recruiting and training pressure hamper the division's ability to effectively and efficiently perform its mission. Problems are extreme in high turnover areas such as the Mail Services Section. Recruiting of skilled workers, as in our Main Print Shop, is also painfully slow owing in part to salaries which are not competitive.

Implementation of C.R.S. 24-30-1101 *et. seq.* at the University of Colorado Medical Center will be difficult. Though the division has made overtures to the Medical Center, compliance with division programs has been withheld owing to the lack of specific language in our statute which clearly mandates Medical Center participation. Attorney General J.D. MacFarlane has issued a formal opinion which indicates that the Medical Center must comply. The opinion has not, however, been tested in court. In compliance with C.R.S. 24-30-1109(1)(e), I recommend that C.R.S. 24-30-1104(1) be amended to include language making this statute specific to as much of the Department of Higher Education as is within Central Services' jurisdictional area.

Fiscal Year 1980-1981 will again see the division's efforts turned inward to improve, strengthen, and refine existing operations. Though major, successful efforts to strengthen operations were made in fiscal 1979-80, they did not include all of the division's cost centers. Mail Services will continue to be the focus of attention. The acquisition of the Incoming Revenue Mail Room and preparations for the receipt of 1979 income tax returns slowed some of our efforts to enhance Mail Services' operations. In addition, Central Stores will receive increased management attention in the area of inventory management and control. The anticipated results are an increase in fiscal efficiency and an increase in Stores' order filling confidence level.

The division will not pursue any significant service consolidations in Fiscal Year 1980-1981. The development and refinement of division procedures and policies coupled with the continuing development of rules, and short and long-range operations plans as required in C.R.S. 24-30-1105(1)(c) and C.R.S. 24-30-1104(1)(a), will have the effect of improving our service posture. Significant expansion of the scope of services or the number of agencies impacted will not be pursued. An information center and bookstore designed to serve the public and a clerical pool that will provide temporary services to state agencies will be studied.



Jack E. Keene
Director

UNIT OPERATIONS

Central Stores and Forms Unit

Unit Operations

The surplus/deficit condition of the division's major cost centers is shown in the following summary. Discussion of cost center operations follows the summary. Each cost center reflects only one of the division's service operations. Each has an independent accounting structure; there is no bookkeeping overlap. All cost centers

purchase needed services from other cost centers at undiscounted rates.

Clerical support is provided without charge by the Administrative Clerical Section. This eight FTE unit is carried as an overhead expense, its operations are, therefore, not further discussed.

Division of Central Services Cost Center Surplus and Deficit Summary Fiscal Year 1979-1980

Cost Center	Revenue	Expenses	Surplus (Deficit)
Central Stores and Forms Unit	\$1,073,381	\$1,033,120	\$40,261
Design Center	18,513	19,506	(993)
Graphics Unit	71,113	56,138	14,975
Interagency Motor Pool	161,555	125,935	35,620
Mail Services Section	1,513,375	1,580,363	(66,988)
Main Print Shop	694,740	635,895	58,845
Microfilm Unit	97,309	96,750	559
Office Copier Program	556,770	543,326	13,444
Quick Copy Centers	264,429	236,429	28,000
Word Processing Unit	22,006	28,695	(6,689)

Central Stores and Forms Unit

The Central Stores and Forms Units were combined and housed in a single location at 1685 Pennsylvania Street in January, 1980. Previously, these units were housed at 1525 Sherman Street and 251 East 12th Avenue respectively. At the end of the fiscal year five FTE were assigned, a reduction of two FTE. This reduced level was made possible by combining the supervisory structure of these units.

Central Stores inventory turned over 2.42 times (sales divided by end-of-year inventory) in fiscal 1979-80. This does not compare favorably with the industry average which is 4.88 turnovers for office supply businesses with

annual sales in excess of \$1,000,000. Improved inventory management and control systems are presently being developed and our long-term anticipation is that turnovers will more closely match the national mean. Value of the year-end inventory was \$443,697.

Carrying cost for Stores' inventory presently equals 34.7% of the inventory cost. Surplus was 3.8% of revenues. Sales per FTE were \$119,265. This figure compares favorably with the national average which is \$49,673+ per employee. Higher profit ratios in the private sector explain the difference.

Design Center

The responsibility of the Stores and Forms Unit is to vend office supplies and forms to state agencies thus negating the need for individual agencies to maintain warehouses and ser-

vice staffs. Duplication of physical plant space, staff and inventory capital that would result is avoided. At present, 1,879 commodities constitute Stores' inventory—1,123 forms, 756 office supply items.

Design Center

This unit was formed to continue work begun in 1979 under a grant from the National Endowment for the Arts. Grant funds were used to develop the *Graphic Standards Manual* which prescribes guidelines for all visual communications used by Colorado's state agencies. The manual, published in July, 1980, has stimulated design business to the extent that the Design Center lost only \$993 in its first year of operation. Greater and continuing deficits are usually anticipated for new service functions. A moderately profitable condition is predicted

for this unit at the close of Fiscal Year 1980-1981. Two permanent FTE are assigned.

Among the notable projects designed were: the support graphics for Senate Bill 52, *Concerning Reduction of Motor Vehicle Emissions and Making an Appropriation Therefor*; the Front Range Forum Task Force Reports; and a slide show, *Private Choices, Public Strategy* (with music and narration) done for the Governor's Blue Ribbon Panel.

The *Graphic Standards Manual* is a guide to visual communications which has been created for state government use. It is arranged into twelve chapters and totals approximately 160 pages. Color specifications for the state flag and seal as well as reproduction proofs in one-color are shown. Various chapters deal with brochures, reports, signage, news releases, letterheads and other subjects. A glossary of printing terms is included. The visual communications of two prototype state agencies are also shown in detail. The manual is a loose leaf publication, bound in a three-ring binder, 8½x11 inches, profusely illustrated and furnished with chapter dividers.



Graphics Unit

Direct support of the Main Print Shop is the mission of the Graphics Unit. This includes routine implementation of the Graphic Standards Manual. One FTE is assigned. Profits of \$14,975 are reported. Though profits of this magnitude normally lead to price reductions, no reductions are planned for Fiscal Year 1980-1981. Future profits from this unit will be used to offset possible losses in the Design Center.

Long-term plans for this unit include acquisition and development of typesetting capabilities. Equipment will be carefully matched with equipment in the Word Processing Unit so that integrated word processing and typographic services can be offered to division customers. Significant time and dollar savings will result.

Interagency Motor Pool

The Interagency Motor Pool makes its 45 vehicles available for short and long-term use to other state agencies.

An all-weather repair facility of 750 square feet was constructed in the Motor Pool parking garage in November, 1979 at a cost of \$5,168.

The fleet averages 22,032 miles per vehicle, per year at a cost of 16.5¢ per mile. This usage far exceeds the statewide average for government owned vehicles of 11,500 miles per vehicle, per year. A strong, upward trend in usage has existed since May of 1979. Total miles driven for the period of this report were 687,822 up from 500,126 miles in Fiscal Year 1978-1979. Motor Pool surpluses as a result have rebounded sharply from the Fiscal Year 1978-1979 deficit of \$43,000 to a surplus of \$35,620 (includes gasohol sales) this fiscal year. Customer demand was so strong that the size of the fleet was increased from 34 to 45 vehicles through the expedient of not retiring the older vehicles 1980 models were purchased to replace. New models began arriving in February, the last arrivals took place in June. Some additional expansion of the fleet is anticipated.

In June, 1980 Governor Lamm officiated at ceremonies marking the opening of the Motor Pool's 10,000 gallon gasohol vending facility. Gasohol is currently being used in compliance with C.R.S. 39-27-102(1)(a)(II) in all vehicles assigned the division. Certain other state agencies are buying gasohol from this facility. Consumption as of the end of the fiscal year was 10,455 gallons. Average monthly use is 1,745 gallons. Sharp

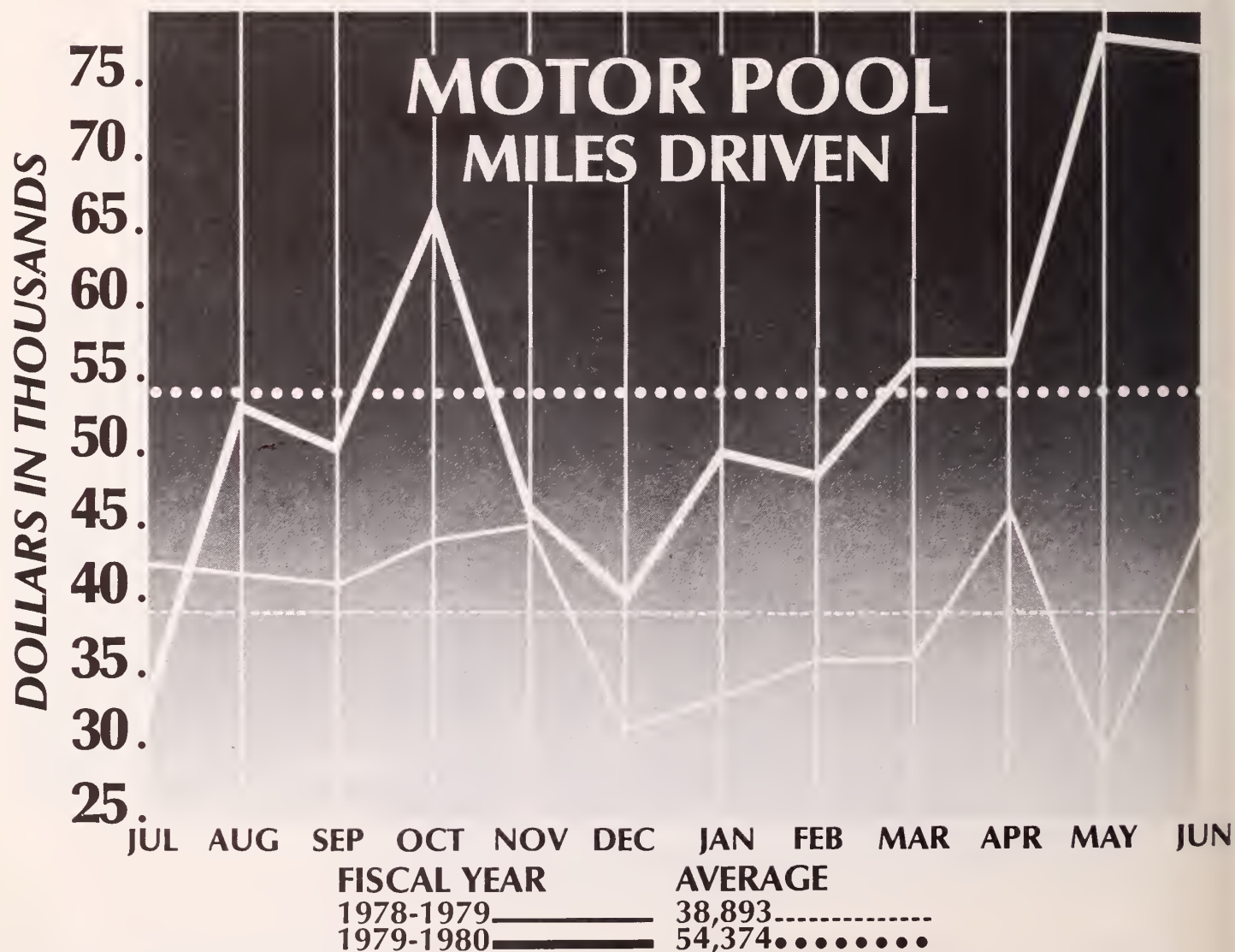
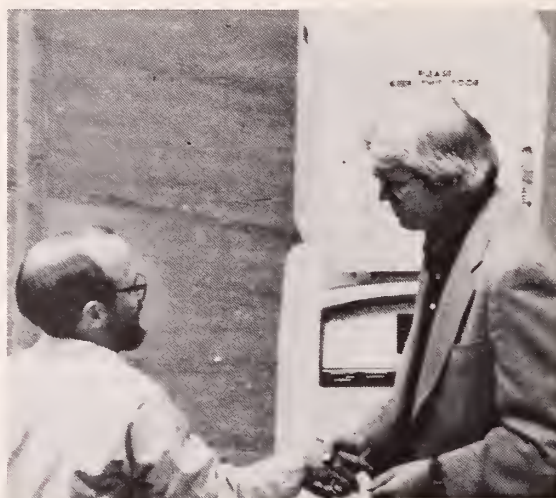
Gasohol Vending Facility Surplus and Deficit Statement Fiscal Year 1979-1980

Revenue		\$12,811
Expenditures:		
Cost of Gasohol Sold	10,976	
Depreciation Expense	216	
TOTAL EXPENDITURES		\$11,192
SURPLUS		\$ 1,619

Operating expenses amounted to \$59,987 for the fiscal year. The Division of Correctional Industries received \$7,878 or 13.1% of this sum for automotive repair services accomplished at the Colorado Correctional Center located at Camp George West, Golden, Colorado.

increases in consumption will probably occur as the fuel is made available to other state agencies, a move anticipated in fiscal 1980-81.

Interagency Motor Pool Supervisor James Twark greets Governor Richard D. Lamm during ceremonies marking the official opening of the Motor Pool's gasohol vending facility in June.



Mail Services Section

The Mail Services Section performs such functions as envelope addressing and inserting, U.S. postage metering, commercial freight dispatch, processing and delivery of U.S. mail and interagency mail, and package deliveries. At the end of the fiscal year 33.75 FTE were assigned to perform these functions.

A 25% increase in FTE over the previous fiscal year was necessitated by the January, 1980 acquisition of the Incoming Revenue Mail Room from the Department of Revenue. The Revenue Mail Room's responsibility is to receive, open and sort tax return mail. From January through June, 1980, approximately 2,420,000 pieces of mail were processed through this mail room. Upon acquisition of the Incoming Revenue Mail Room, several changes were made in its operational format. A second shift was added and new equipment was acquired to automate much of the processing.

Approximately \$85,000 was spent on the acquisition of two letter sorting machines and \$30,000 for six letter opening machines. These machines were necessary to reduce manpower and expedite processing of the incoming mail to meet performance parameters set by the Department of Revenue. Additionally, arrangements were made with the United States Postal Service to make the incoming mail available on a more timely basis. These changes resulted in the Department of Revenue being able to obtain its mail on a consistent daily basis. Previous year's mail was backlogged for days and weeks at a time.

Monthly performance standards for this mailroom were created by the Department of Revenue. Ninety percent of all money bearing mail received by 3:00 A.M. must be available to Revenue by 6:30 A.M. the same day. The Mail Services Section has failed to meet or exceed this standard only once.

Of the 2,420,000 pieces received, 1,200,000 were income tax returns. Of these returns, 23% were received during the week of April 14, 1980. Additional temporary crews were created to handle this surge of mail. In 1979, Department of Revenue crews completed processing 1978 income tax returns in the eight weeks following the April 15 mailing deadline. Mail Services was able to complete processing of the 1979 income tax returns in the three days following the April 15 deadline. Improved management, greater centralization and improved training led to this remarkably shortened processing period.



About \$20,000 of the deficit incurred by the Mail Services Section was the result of forecasting errors caused by higher than anticipated personnel levels required to meet Incoming Revenue Mail Room mail processing deadlines.

The consistent performance of this mail room, attributable to improved management, equipment, personnel usage and operational procedures, has been Central Services' most outstanding success in Fiscal Year 1979-1980. The division wishes to specially thank those members of the Department of Revenue who served on the advisory board which provided Central Servi-

ces with guidance during the early stages of this important project.

The \$66,988 deficit incurred by Mail Services in fiscal 1979-80 is attributable to operating problems and the desire to avoid price increases. Procedural changes have been recommended and some implementations made in the fourth quarter. Continuing management attention will be given to problem areas. Efficient personnel usage and improved, consistent performance are future projections.

Another major accomplishment was the reorganization of the Dispatch Unit early in 1980. This unit's mission is to transport mail and packages throughout Central Services' jurisdictional area. About 1,900 packages per week are handled. The labor force in this unit was reduced by two FTE by the end of the fourth quarter. Consolidation of delivery routes resulted in a decrease of approximately 1,200 route miles driven per month for a 14% reduction in total monthly mileage. In addition, three light utility pickup trucks which average 30 miles per gallon replaced two, three-quarter ton vans and a sedan. The vans averaged ten miles per gallon. A total of ten vehicles were assigned the Dispatch Unit.

Finally, an intern was hired to conduct a client survey to ascertain levels of service needed, customer's perceptions of services rendered and to make recommendations for the improvement of existing services. Clientele perception of the Mail Services Section ranged from poor to outstanding with the majority rating the section as being fair to good. A positive result attributable to the survey was the development of a plan of action which is being implemented to provide customers with better services and accurate information about the services they are receiving and information about other services that are available.



Main Print Shop

The Main Print Shop provides complete graphic reproduction services. Limited services are available through our Office Copier Program and Quick Copy Centers. Rates and production capabilities for each of these three services are coordinated so as to present division customers with an integrated package of reproduction capabilities and costs.

Main Print Shop operations were, as expected, financially sound. Surpluses increased \$386 over the previous fiscal year to a high of \$58,845. Surpluses were 8.5% of revenues. The shop's 18.5 FTE printed 61,209,649 chargeable impressions. Monthly production

averaged 5,100,800 impressions. Charges to customers averaged .0114¢ per impression. Total cost of goods sold: \$245,333.

In conformance with an agreement dated February 16, 1978 between the Departments of Corrections and Administration, the Department of Administration and Central Services made available \$49,377 worth of printing to the Division of Correctional Industries.



Microfilm Unit

Central Services' Microfilm Unit enjoyed a revenue increase of 4.4% even though assigned FTE declined from 6.5 to 5.5. In January, the unit was moved from the Old Archives Building at 1530 Sherman Street to its present location at 1685 Pennsylvania Street. The new location is shared with Central Stores.

The unit specializes in the creation of documentary microfilm in 16mm and 35mm formats. Most work—about 60%—is accomplished for units of local governments. About 40% of the Microfilm Unit's work originates from state agencies.

Two new cameras may be purchased to accomplish on-site work for the Department of Revenue at the department's 140 West 6th Avenue location. An increase of three FTE is planned if proposals are acted upon. Project

revenues will come to \$50,000 annually.

Sharp increases have been noted in the amount of work provided the Microfilm Unit by the Judicial Branch. During the period of this report, the division reached agreement on service equipment with the Department of State. The Department of State was permitted to acquire equipment to accomplish on-site filming of approximately 300,000 high access documents. The equipment will become division property in May, 1981. The Department of State will be paid for the equipment in service credits based on the depreciated value of the equipment on its date of transfer. This is the first such agreement in Central Services' history. The purpose is to control the proliferation of microfilm equipment.

Office Copier Program

The chief Copier Program goal is central management of all copiers used within the division's jurisdictional area. The intent is to prevent needless proliferation of copiers and to limit acquisition of unneeded accessory features. About 200 copiers are located within Central Services' service area. Central Services manages 76 copiers directly, 25 have been purchased and 51 are rented. The division exercises approval/disapproval authority over the remaining 124 office copiers in its service area. This program is managed by .6 FTE.

Revenues increased from \$530,093 to \$556,770 in fiscal 1979-80. This 5% increase in revenues yielded a decrease in surpluses from \$32,812 in Fiscal Year 1978-1979 to \$13,444 in this fiscal year. This decline of 56% was due to a rate reduction. Customer cost per copy was reduced from an

average of 3.85¢ to 3.60¢. At the same time, the division embarked upon a more aggressive copier purchase policy. Lease purchases to acquire seven copiers over a five-year period were initiated. These factors contributed to a profit decline while the number of copies created rose 15.4% from approximately 13,200,000 to 15,600,000 copies in fiscal 1979-80.

The Copier Program equipment complement will not be altered in Fiscal Year 1980-81. No new purchased or rented equipment will be acquired. A single-source contract is planned for all copiers which produce 1,000 to 5,000 copies per year. Should this experimental program be cost effective, additional contracts will be created for office copiers in other annual use categories.

Quick Copy Centers

Quick Copy surpluses of \$28,000 increased from \$24,773 for the previous year. Increasing productivity was responsible for this 13% increase in profits. Chargeable impressions totaled 13,354,136 in fiscal 1979-80 as opposed to 12,262,000 the year before. Monthly average impressions were 1,112,845. Customers paid an average of .0196¢ per impression. Goods sold to provide this level of service were valued at \$55,142. Revenue for each of the four assigned employees was \$66,107.

The role of copy centers is to provide an intermediate service capability between that available from the Office Copier Program and the Main Print Shop. Increased services and decreased unit costs, as compared to convenience copiers, are offered customers.

No increases in the number of centers, FTE, or the amount of equipment are planned. Upgrades of equipment are planned in two centers pending successful equipment evaluations. All major copy center equipment is rented.

Word Processing

The Word Processing Unit finished the year with a deficit of \$6,689. Apart from anticipated deficits normal to new businesses, the unit's deficits were exacerbated by personnel and equipment problems.

Adequate classifications at competitive pay levels do not exist for word processing technicians. New classifications promised by the Department of Personnel for 1980 availability will not be ready before July, 1981. Recruiting, training and retention of qualified, experienced personnel has been difficult.

Among notable pieces of work produced in 1979-80 are: *State of Colorado Annual Report*, *Graphic Standards Manual* and *State of Colorado Personnel Rules and Regulations*

In fiscal 1980-81, Word Processing will test the feasibility of centralized dicta-

tion systems and acquire proofreading services. Dictation input will be telephonic; system availability will be twenty-four hours per day. Two FTE are assigned. The objective of this unit is to provide high quality automated typewriting services to Capitol Complex agencies.



DIVISION OPERATIONS

Division of Central Services' Consolidated Surplus and Deficit Statement

	Fiscal Year		
	1977-1978	1978-1979	1979-1980
Revenue	\$3,415,109	\$3,762,453	\$4,473,191
Extraordinary Revenue	14,206	1,544	3,839
TOTAL REVENUES	\$3,429,315	\$3,763,997	\$4,477,030
Expenditures:			
Personal Services	\$ 876,049	\$ 925,385	\$1,246,854
Cost of Goods Sold	1,710,706	1,899,235	2,172,849
Operating Expenses	723,363	730,599	887,175
Depreciation Expenses (Capital Outlay)	50,802	53,922	73,309
Travel Expenses	875	807	3,041
TOTAL EXPENDITURES	\$3,361,795	\$3,609,948	\$4,383,228
SURPLUS (DEFICIT)	\$ 67,520	\$ 154,049	\$ 93,802
SURPLUS AS A % OF REVENUE	2.0%	4.1%	2.1%

Division Operations

The Surplus and Deficit Statement above indicates that Central Services has had surpluses during the last three fiscal years. Strong efforts to minimize surpluses and deficits have yielded a 2.1% surplus on revenues of \$4,477,030 during Fiscal Year 1979-1980. As internal controls are further refined, surpluses and deficits in all areas will be minimal.

Most expense increases are due to the acquisition of the Incoming Revenue Mail Room. Other lesser increases stem from two new operations; Word Processing and the Design Center. The wage survey and inflation contribute to other expense increases. The following chart shows that, overall, increases in the number of the div-

Extraordinary Revenue

Short-term Debt

ision's FTE have not led to declines in productivity. The long-term trend is increasing productivity as shown by the upward climb of Revenue per FTE.

FTE figures include temporary employees and personal service contractors. Increases in revenue per FTE are derived from increased productivity. New equipment, improved methods, constant review of opera-

increase occurred in fiscal 1979-80 due to the procurement of motor vehicles, office copiers, and mail room and print shop equipment. Depreciation is a necessary expense in a revolving fund. If the division were to receive capital outlay dollars, it would have to expense equipment in the year purchased. Prices thus distorted would make impossible the "... policy of remaining competitive with ... pri-

Fiscal Year	FTE	Total Sales	Revenue per FTE
1977-1978	78.8	\$3,400,000	\$43,147
1978-1979	74.7	\$3,800,000	\$50,870
1979-1980	95.1	\$4,500,000	\$47,319

tions and an overall concern for costs and services contribute to productivity increases. Personnel costs could be further reduced if needless recruiting delays are eliminated. Up to 60 days is required to fill low level position vacancies. High cost temporary employees must often be used in the meantime.

Year to year increases in Cost of Goods Sold simply reflect increases in business volume and inflation.

The fiscal 1977-78 operating expense figure includes about \$74,000 in state building rent that is no longer paid. Real growth in operating expenses between Fiscal Year 1978-1979 and 1979-1980 is 21.4% of which 8.8% is due to newly added activities: Incoming Revenue Mail Room, Word Processing Unit and the Design Center. The remaining 12.6% increase in operating expense is caused by inflation and business volume increases in the Interagency Motor Pool and Quick Copy Centers.

Depreciation expense was basically constant between Fiscal Years 1977-1978 and 1978-1979 at approximately \$50,000 per year. However, a 50%

vate industry ... required by C.R.S. 24-30-1108(3). Central Services must also have the flexibility to add equipment as customer service demand increases.

Travel expense increased considerably over previous years. Increases are due, almost entirely, to the greater emphasis currently being placed on training. Nearly all travel expense is incurred by employees attending service related training seminars.

Extraordinary Revenue

Extraordinary revenue reflects unearned income coming from sources such as employee's jury duty pay, sales of overage vehicles and vendor's refunds which may have resulted from accounting adjustments.

Short-term Debt

The division's short-term debt condition has shown marked improvement during Fiscal Year 1979-1980. The table below reveals interest payments made to the Department of Treasury in the

Extraordinary Expenses

amount of \$11,542 for this period. The figure reflects interest paid on funds borrowed to cover cash balance deficits which result from shortages in operating funds. Such shortages are due to untimely fund transfers from client agencies or from seasonal slow-downs in demand for division services.

Interest expenses have declined steadily since Fiscal Year 1977-1978 owing entirely to the adoption of computerized billing systems utilizing the General Government Computer Center. The following table illustrates the decline in this expense.

Other extraordinary expenses include the administration of the state's vehicle inventory, an annual expense of \$1,218 for which no reimbursement is received. All license plates which identify vehicles as the property of the State of Colorado are issued by the division at a yearly expense of \$118. Using agencies pay \$3 for each plate. This is the exact cost of the plates charged by the manufacturer, the Division of Correctional Industries. Central Services issues all gasoline credit cards. Salary expenses for this activity reach \$1,889 per year. Requesting agencies pay \$1 for each card. This figure does not cover actual expenses

Fiscal Year	Interest Expense	Decline
1977-1978	\$38,209	\$ —
1978-1979	23,455	14,754
1979-1980	11,542	11,913
	TOTAL DECLINE	\$26,667

Extraordinary Expenses

Extraordinary expenses absorbed by the division include \$34,825 for physical plant improvements and other services. All of these funds were paid to the Division of Correctional Industries for the services shown below.

however. The total expenses of these programs are \$3,225 annually.

The grant discussed under the heading "Design Center" resulted in additional extraordinary expenses of \$27,071. These funds were Central Ser-

Demolition, 1685 Pennsylvania*	\$ 6,500
Renovation, 1685 Pennsylvania (Carpentry, drywall and tile work)	19,900
Moving services**	5,500
Office partition purchase and installation, 1525 Sherman Street	2,500
Renovation, 1555 Sherman***	425
	TOTAL \$34,825

* 1685 Pennsylvania is the location of Central Stores and Forms Unit and the Microfilm Unit.

** The Microfilm Unit was moved from 1530 Sherman Street. Central Stores was moved from 1525 Sherman Street and the Forms Unit was moved from 201 East 12th Avenue to 1685 Pennsylvania Street early in 1980.

*** Interagency Motor Pool garage.

An additional contract in the amount of \$3,700 was made with Correctional Industries for electrical improvements at 1685 Pennsylvania Street. The contract has not yet been executed.

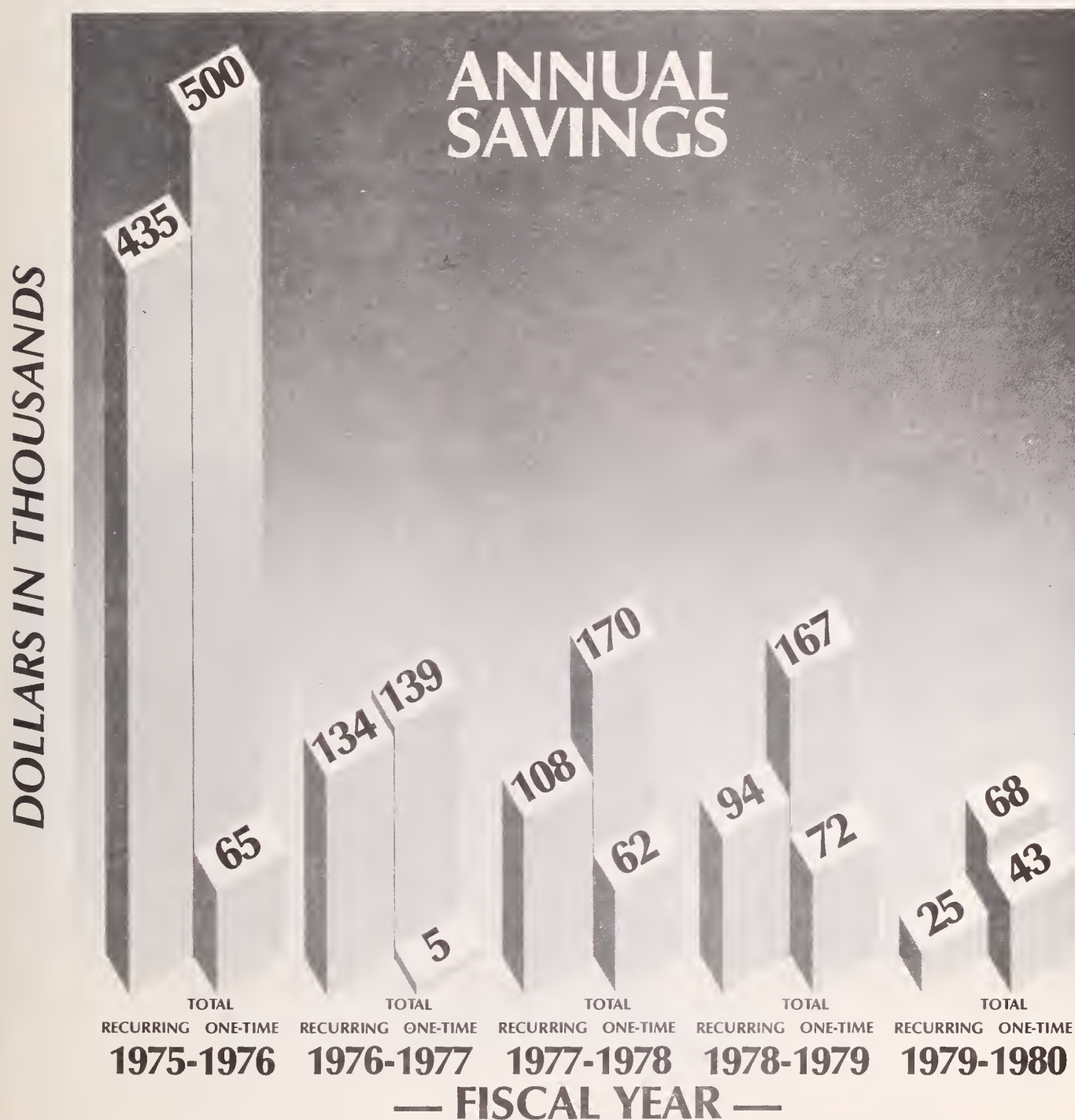
vices' matching portion of the grant. This expense was not applied to any cost center but was carried as one of the division's overhead expenses.

Savings

Savings

Savings generated by the Division of Central Services may be grouped into several categories: service equipment acquisitions, interest expense reductions, and increased interest revenue.

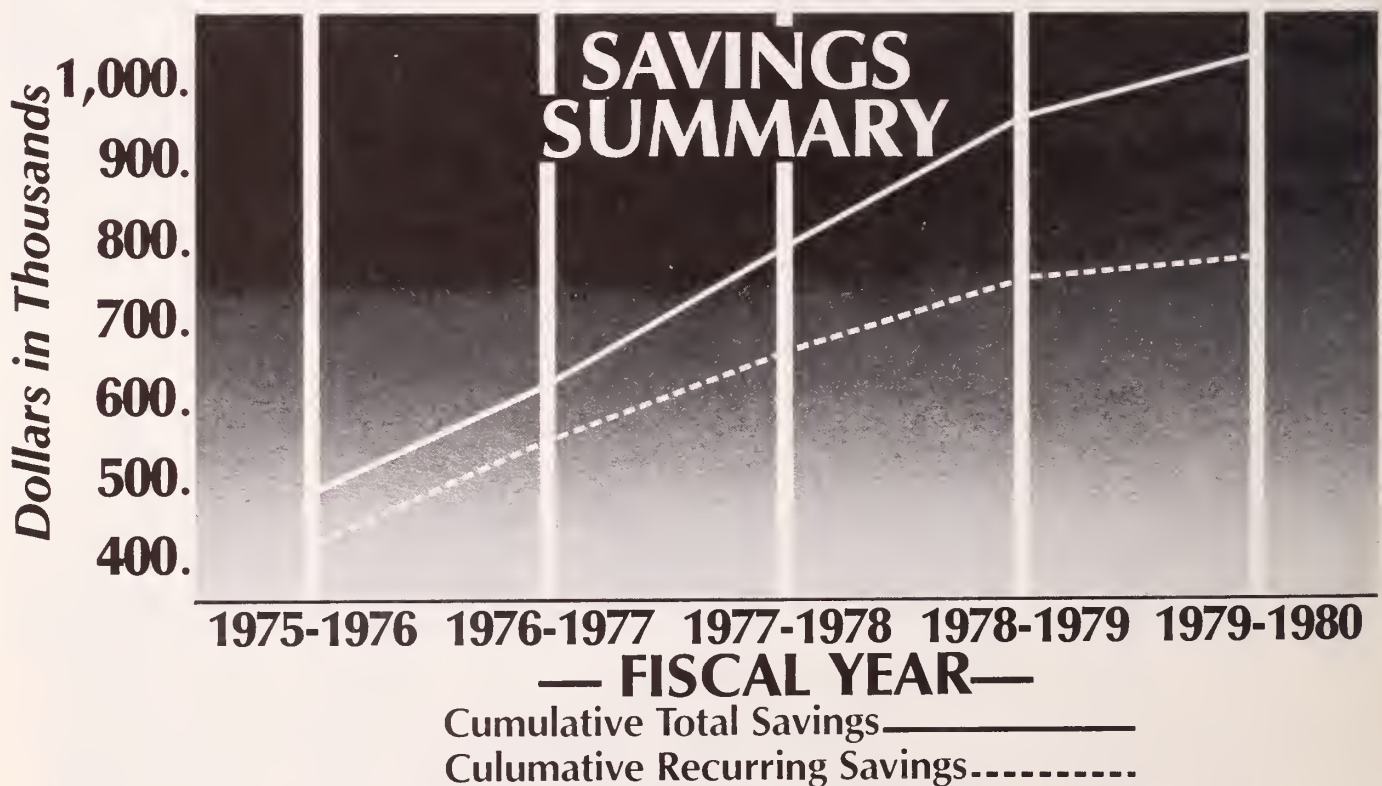
Requests for the acquisition of service equipment are approved or disapproved by the division in accordance with C.R.S. 24-30-1104(l)(h). In this fiscal year, \$33,309 was saved as a result



Program	Savings
Service Equipment Requests	\$33,309
Office Copier Purchases	22,668
Interest Expense Reductions	11,913
TOTAL SAVINGS	\$67,890

of rejected or altered Service Equipment Requests. Recurring savings are \$24,635 of this figure. An additional \$22,668 was saved with the purchase of seven office copiers. Interest expense reductions, earlier discussed, were responsible for \$11,913 more in savings.

The state's revenues from interest were increased through the division's management of the Department of Revenue's Incoming Revenue Mail Room. Figures on actual revenue increases should be available from the Department of Revenue. A detailed description of operations may be found under the heading "Mail Services".



Summary of Significant Accounting Policies

Division of Central Services Unaudited Balance Sheet Fiscal Year 1979-1980

ASSETS		LIABILITIES	
Petty Cash	\$ 120	Cash due Department of Treasury (Note 4)	\$ 356,999
Accounts Receivable	419,087	Accounts Payable	551,531
Inventory	\$527,100	Accrued Payroll	22,440
— Postage	30,905		
— United Parcel Service	10,565		
— Gasohol	6,202		
Total Inventory (Note 1)	\$ 574,772	Total Liabilities	\$ 930,970
Prepaid Expenses	3,870		
Equipment (Note 2)	821,920		
Less Accumulated Depreciation	202,099		
Depreciated Equipment Value	\$ 619,821		
Leasehold Improvements (Note 3)	<u>34,426</u>	Fund Balance	\$ 721,126
TOTAL ASSETS	<u>\$1,652,096</u>		
		TOTAL LIABILITIES AND FUND BALANCE	<u>\$1,652,096</u>

Note 1. Postage inventory is valued at acquisition cost. Materials inventories are priced on the basis of state purchase contracts, state purchase price agreements or current market value.

Note 2. Equipment inventory has not been verified.

Note 3. Renovations accomplished at 1685 Pennsylvania.

Note 4. Cash overdraft is a liability of this fund. During the fiscal year ended June 30, 1980 interest calculated by the Division of Accounts and Control was paid to the Department of Treasury.

Summary of Significant Accounting Policies

The accounting policies of the Department of Administration, Division of Central Services, conform to generally accepted accounting principles as applicable to governmental units.

In order to insure observance of limitations and restrictions placed on the use of resources, accounts are maintained in accordance with the principles of "fund accounting". Resources intended for various purposes are classified for accounting and reporting

purposes into funds that operate in accordance with activities or objectives specified. The accrual basis of accounting is followed.

Central Services receives appropriations from the General Assembly. Cash funds are appropriated as "augmenting revenues". Unexpended appropriations at year-end are recorded as unearned revenue.

This fund is a statutory revolving fund which operates within the confines of

Division of Central Services
Unaudited Analysis of Augmenting Revenue Appropriation and Reversion

	Long Bill 1979-80	Transfers Interdepart- mental	Transfers Interdepart- mental	Increase Authorized by Attorney General's Opinion	Total Available Appropriation	Expenditures	Unused Appropriation
Personal Services	\$1,026,375		\$110,980	\$109,500	\$1,246,855	\$1,246,854	\$ (1)
Operating Expenses	3,326,288	\$(8,500)			3,317,788	3,060,024	(257,764)
Travel	1,000	3,000			4,000	3,041	(959)
Depreciation Expense (Capital Outlay)	68,000	5,500			73,500	73,309	(191)
TOTAL	\$4,421,663	\$ 0	\$110,980	\$109,500	\$4,642,143	\$4,383,228	\$(258,915)

Division of Central Services
Unaudited Statement of Changes in Fund Balance
Fiscal Year 1979-1980

Fund Balance, July 1, 1979	\$627,324
Profit on Operations for Year Ended June 30, 1980	\$ 93,802
FUND BALANCE, JUNE 30, 1980	\$721,126

the revenue it generates. The fund provides state agencies with a centralized source of support services. Using agencies are charged for the cost of goods, services and supplies.

General fixed assets are recorded as assets at the time of acquisition. Depreciation has been computed and recorded as current expense and appears under the heading "Capital Outlay" in the appropriation.

Major Equipment Inventory

This appendix identifies all major pieces of service equipment in the possession and control of the division on June 30, 1980. Acquisition may have been by direct purchase, lease purchase or rental. The value of each item of equipment (not its acquisition cost) was at least \$1,000 as of the date the equipment was acquired. This appendix is furnished pursuant to the requirements of C.R.S. 24-30-1109(1)(c).

Administrative Clerical Section

- 1 Dymo Credit Card Embosser

Central Stores and Forms

- 1 Electronic Scale/Forms Counter
1 Pallet Jack

Design Center

No major equipment inventory.

Graphics Unit

No major equipment inventory.

Interagency Motor Pool

- 45 Motor Vehicles
1 Bulk Storage Motor Fuel Tank with Dispenser

Mail Services Section

- 1 Pitney Bowes Addressing Machine
2 Pitney Bowes Folder Inserters
1 Bell & Howell Inserter
1 Singer Electric Scale
1 Friden Electric Scale
7 Pitney Bowes Mailing Machines
3 Folding Machines
4 ¾-ton Vans
4 Light Utility Pickup Trucks
1 Passenger Vehicle
2 Bell & Howell Documail S-2 Sorters
3 Documail Mail Opener/Counters
3 Opex Mail Opener/Counters

Main Print Shop

- 1 Pallet Jack
1 Robertson (401) Film Camera
2 NuArc Light Tables
1 3-M Plate Camera
4 AM 1250 Offset Press
1 Davidson (700) Perfector Offset Press
1 AB Dick 360 Offset Press

- 2 AM 2850 Offset Presses
1 AB Dick 360T Offset Press
1 AM 1275 Offset Press
2 Norfin 104 Sorters
1 AM 2300 Electric Plate Maker
2 Challenge Paper Cutters
2 Pitney Bowes Folding Machines
1 Nygren Dahly Perforator
1 Velo Binder
1 GBC Punch
1 Bostitch Power Stitcher
1 Interlake Power Stitcher
1 Pitney Bowes Collator/Stapler/Folder
1 Thomas A-10 Collator
1 AB Dick 7124 Collator
1 AB Dick Stitcher
1 AB Dick Folder
1 Brown Plate Burner
1 O & M Profold Folder
1 Velo Puncher/Binder
1 Standard-Bourg Collator/Stitcher/Folder
1 3-spindle Paper Drill

Microfilm Unit

- 1 Reliant 600 Microfilmer
1 Recordak MRK 1 Microfilmer
2 Jacket Reader-Fillers
1 Reliant 700 Microfilmer
1 750 Microfilmer
1 Recordak RV-2 Microfilmer
2 Kodak Prostar Processors
1 Automated Editor/Loader
1 MacBeth TD500 Densitometer
1 16mm and 35mm Silver Film Duplicator
1 35mm MRD Microfilmer
1 16mm Microfilm Reader/Printer
1 Diazo Duplicator
1 Bell & Howell Intercom Microfilmer

Office Copier Program

- 76 Office Copiers
1 AM International Infotext

Quick Copy Centers

- 3 Xerox 9200, Printer/Collators
3 Xerox 920 Stitchers

Word Processing Unit

- 1 Xerox 850 Word Processor
1 Vydec 1400 Word Processor

Personnel Inventory

As required by C.R.S. 24-30-1109(1)(c), this chart reflects the division's personnel inventory as of the last day of Fiscal Year 1979-1980. All reporting is done in terms of FTE's. From January to April, 1980, Central Services employed 26 permanent and 43 temporary FTE in the Mail Services Section. This temporary increase was brought on by the seasonal influx of income and other taxes which are processed in the Incoming Revenue Mail Room.

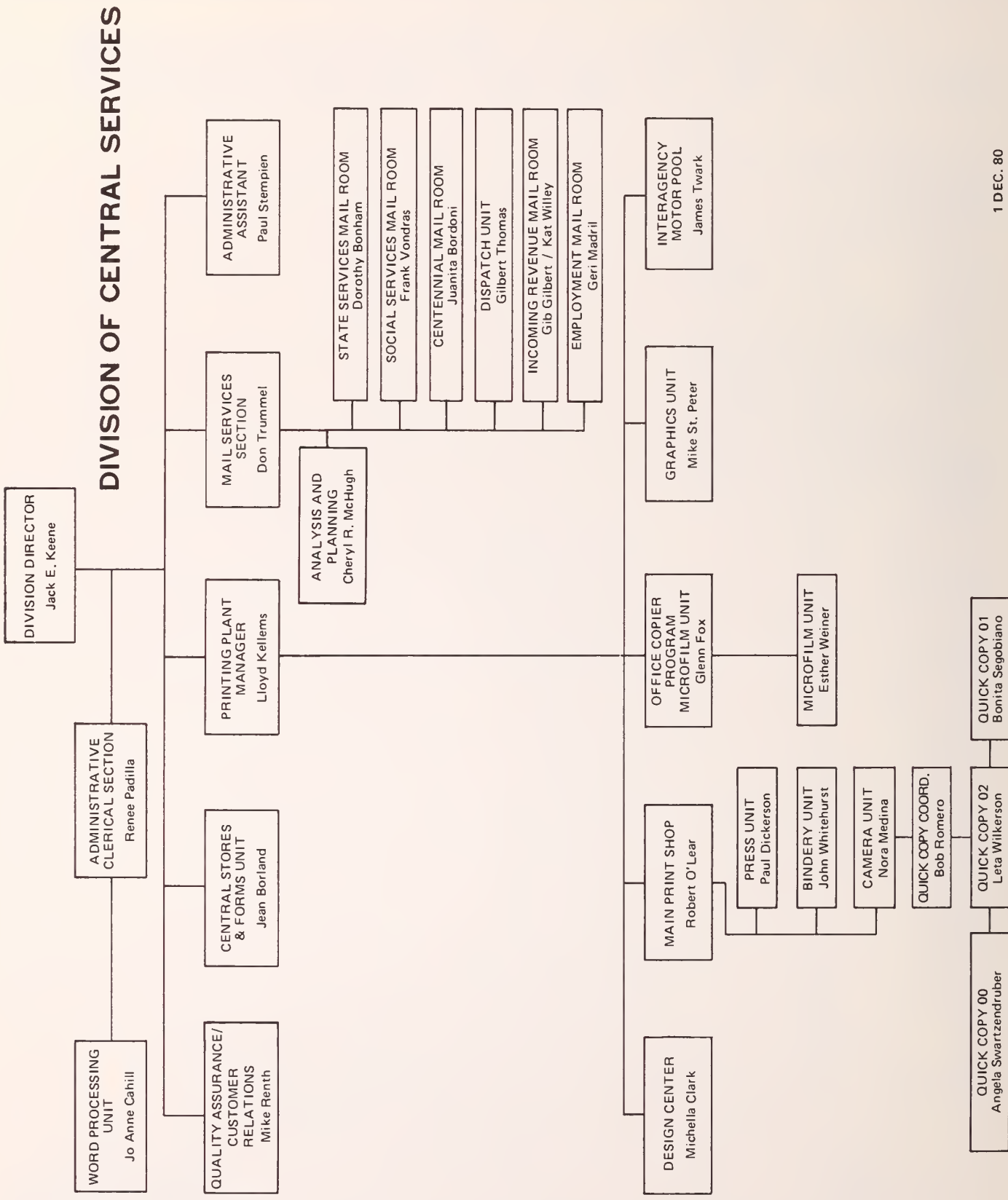
The division also used two personal service contracts during this fiscal year. Total personal services amounted to less than one FTE for the year. Central Services participated in the Summer Youth Employment Program by employing six high school youths from June 9 to August 20. No costs are associated with this program

Position Title	Class Code	Administration and Administrative		Central Stores and Forms		Design Center		Graphics Unit		Inter-agency Motor Pool		Mail Services Section		Main Print Shop		Micro-film Unit		Office Copier Program		Quick Copy Centers		Word Processing Unit		TOTAL	
		Clerical Section																							
		P	T	P	T	P	T	P	T	P	T	P	T	P	T	P	T	P	T	P	T				
Administrative Clerk	22306	6	0																					6	0
Administrative Clerk Typist	22318																				1	0	1	0	
Administrative Officer	11008	2	0									1	0					1	0					4	0
Automotive Serviceman	44261									0	1													0	1
Bindery Equipment Operator	22621	4	2																					4	2
Clerical Assistant	22301											19	9											19	9
Clerical Supervisor	22332	1	0									6	0											7	0
Duplicating Equipment Operator	22601															5	0			3	0			8	0
Graphic Designer	22682					1	0	1	0															2	0
Graphic Design Technician	22680					1	0	0	1															1	1
Motor Pool Coordinator	44510									1	0													1	0
Public Service Career Trainee	11036											1	0							1	0			2	0
Printing Plant Manager	22636	1	0																					1	0
Printing Plant Supervisor	22635	1	0																					1	0
Director of Central Services	11013	1	0																					1	0
Reproduction Equipment Operator	22631													13	3									13	3
Storekeeper	22404			5	0																			5	0
Supply Officer	22408			1	0																			1	0
Typist	22312			0	1																			0	1
Vehicle Driver	44501											6	2											6	2
TOTAL BY UNIT		16	2	6	1	2	0	1	1	1	1	33	11	13	3	5	0	1	0	4	0	1	0		

P = Permanent Employees
T = Temporary Employees

Permanent Employees 83
Temporary Employees 19

Organization Chart



STATE OF COLORADO

DEPARTMENT OF ADMINISTRATION

1525 Sherman Street, 7th Floor
Denver, Colorado 80203
Phone (303) 839-3221



Richard D. Lamm
Governor

Lee White
Executive Director

A. Y. Levine
Deputy Director

September 15, 1980

MEMORANDUM

TO: Dan S. Whittemore, State Controller

FROM: Bill Archambault, Administrative Services

RE: Letter of Certification -- Division of Central Services (22 05 00)

Without benefit of preparation of financial statements, the undersigned certify to the following statements regarding this agency:

1. The agency is in compliance with applicable headnotes, footnotes, and FTE's in the Long Bill. In addition, the agency has complied with applicable "C" and "M" constraints of the Bill and with the legislative intent as purported to be therein.
2. The agency is in compliance with applicable statutes of a fiscal nature and the State Controller's fiscal rules. NO LINE ITEM OVEREXPENDITURES OCCURRED OR EXISTED AT JUNE 30, 1980.
3. The agency is utilizing correct titles and classification of accounts in accordance with the charts of accounts prescribed for the Central Accounting System.
4. Those activities unrelated to the General Fund are properly reflected in other funds in the Central Accounting System. (Enterprise, Repair and Replacement, Retirement of Indebtedness, Revolving, etc.)
5. The account balances reflected in the General Ledger Trial Balance-Final for June 30, 1980, are correct as stated except for differences noted below. Proper classification has been made of short checks, abnormal balances, etc.
6. Appropriate accruals have been recorded, including accounts receivable and accounts payable.
7. A review has been made as to the collectibility of accounts receivable and adequate allowance for doubtful accounts has been recorded in account 138XX.
8. Inventory account balances have been adjusted to reflect physical inventory figures.

9. There has been a proper recognition of revenue between fiscal years.
10. Those net cash collections which are restricted to future appropriation availability are reflected in a Reserve of Fund Balance (31XXX). Not applicable.
11. Necessary corrective action has been taken where indicated by the accountant's check-off list.
12. There have been no entries made to fund balance accounts except those specifically approved by the State Controller on a required approval form.
13. Contingent Liabilities - None known.
14. The quarterly reports of Funds Not on Deposit with State Treasurer have been submitted to the Controller along with any necessary reconciliation. Reports are for all CAS funds, e.g., 1001, 5100, etc. Not applicable.
15. Any report of expenditures submitted to the JBC of Office of State Planning and Budgeting are in agreement with CAS figures or an explanation of any difference has been provided those agencies and the Controller in the reconciliation of financial statements to the CAS final trial balance.
16. A. Audit reports received during the prior year including internal audit reports: None - No audit performed.
 - (1) Name of agency performing audit
 - (2) Title of report
 - (3) Date of report
 - (4) Period covered by audit
17. Capital Leases - Information will be supplied later.
 - A. Gross amount of assets under capital leases at June 30, 1980.
 - B. Future minimum lease payments, in aggregate and for each of five succeeding fiscal years, with separate deductions for amount representing executory costs and for imputed interest.
 - C. Total of minimum sublease rentals.
 - D. Total contingent rentals actually incurred for fiscal year ended June 30, 1980.

Operating Leases

- A. Term of more than one year:
 - (1) Future minimum rental payment required at June 30, 1980, in aggregate and for each of five succeeding fiscal years.
 - (2) Total of minimum sublease rentals.
- B. For all operating leases:
 - (1) Rental expense for fiscal year ended June 30, 1980. - \$32794.54

In addition to providing the above information on capital and operating leases, a general description of your leasing arrangements should be provided including:

- A. Basis on which contingent rentals are determined.
 - B. Renewal or purchase options and escalation clauses.
 - C. Restrictions imposed by lease agreements.
18. Attached is a schedule by fund of the total dollar amount of intrafund and interfund payments made by warrant instead of by interagency voucher. None.



William F. Archambault
Accountant IV

Management and Supervisory Personnel

Jack E. Keene
Director

Jean Borland
Central Stores & Forms Unit

Dorothy Bonham
Supervisor,
State Services Mail Room

Juanita Bordoni
Supervisor,
Centennial Mail Room

Jo Anne Cahill
Supervisor,
Word Processing Unit

Michella Clark
Art Director,
Design Center

Paul Dickerson
Supervisor,
Press Unit

Glenn L. Fox, Jr.
Supervisor,
Office Copier Program, Microfilm Unit

Harbert "Gib" Gilbert
Night Supervisor
Incoming Revenue Mail Room

Lloyd C. Kellems
Printing Plant Manager

Geraldine Madril
Supervisor,
Employment Mail Room

Cheryl R. McHugh
Analysis and Planning
Mail Services Section

Eleanor M. Medina
Supervisor,
Camera Unit, Quick Copy Centers

Robert O'Lear
Supervisor
Main Print Shop

Renee Padilla
Supervisor,
Administrative Clerical Section

Michael J. Renth
Quality Assurance/Customer Relations

Mike St. Peter
Supervisor,
Graphics Unit

Paul R. Stempien
Administrative Assistant

Gilbert Thomas, III
Supervisor,
Dispatch Unit

Don L. Trummel
Manager
Mail Services Section

James Twark
Supervisor,
Interagency Motor Pool

Frank Vondras
Supervisor,
Social Services Mail Room

Esther Weiner
Supervisor,
Microfilm Unit

John Whitehurst
Supervisor,
Bindery Unit

Kathleen Willey
Day Supervisor,
Incoming Revenue Mail Room

This annual report has been wholly designed and printed by the employees of the:

**Division of Central Services
1525 Sherman Street, Room 15
Denver, CO 80203
839-3575**
